

ER 10-4141-a

7 JUN 1958

Card
Mr. Milo Perkins
Avila Hotel
Caracas, Venezuela

Dear Mr. Perkins: *Milo*

Thank you for your letter of May 24. The six copies of my US Chamber of Commerce speech that you requested are enclosed.

The story you saw in the New York Times about a Soviet plan to invest 45 billion dollars in oil production came originally from an article entitled "Problems of Oil in the Long-Range Development of the National Economy of the USSR" signed by N. Brenner in a Soviet journal named Voprosi Ekonomiki (No. 2, 1958, p. 28). Brenner said that over the next fifteen years the USSR intended to invest 150-180 billion rubles in the extractive phase of the oil industry. Using the 1950 ruble as a basis, 180 billion rubles would equal 45 billion dollars. A more realistic figure, however, based on Soviet 1955 prices, would be 21-26 billion dollars.

Regarding Sir David Eccles' remark, we have no relevant public information on Soviet intentions to export petroleum to the United Kingdom other than what was in my recent speech. There seems to be no doubt that Soviet exports of petroleum to Western Europe will continue to increase.

With kindest regards,

Sincerely,

Allen W. Dulles
Allen W. Dulles
Director

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1 - DCI -

1 - Col. Grogan *ssj*

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Soviet Investment in the Petroleum Industry

1. The \$45 billion dollar figure came originally from a Soviet journal, Voprosi Ekonomiki, in which the Soviet author said that they were going to invest in the extractive phase of the crude oil industry 150-180 billion rubles (apparently 1950 rubles) over the next 15 years. Converted at 4:1, the 180 billion rubles equals 45 billion dollars.

2. However, a more realistic dollar equivalent would be 21-26 billion dollars, obtained by converting the Soviet 1950 prices to Soviet 1955 prices and then converting to dollars at a 6:1 ratio.

3. Soviet source: Brenner, M., "Problems of Oil in the Long Range Development of the National Economy of the USSR," Voprosi Ekonomiki, No. 2, 1958, p. 28.

Soviet Exports to Western Europe

No unclassified information is available on Soviet intentions to export petroleum to Western Europe other than that given in the Director's Chamber of Commerce speech, which Mr. Perkins has. There is, of course, no doubt that Soviet exports of petroleum to Western Europe will continue to increase.

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| Executive Registry |
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MILO PERKINS

May 24, 1958

Mr. Allen Dulles
Central Intelligence Agency
Washington, D.C.

Dear Mr. Dulles:

I was able to get two copies of your speech of April 28th. before the U.S. Chamber of Commerce from the New York Times. I have given marked copies of these to Venezuelan friends of mine. Could you office send me six more copies to be similarly used?

I recently read in some story in the New York Times that Russia was planning to invest \$45 billion dollars in oil production. Do you know the exact source of this public information and could your office give me the quotes?

When Sir David Eccles was here in Caracas recently, he said that he had heard that the Russians were discussing sales of oil in the United Kingdom with the implication that they might be planning to follow the plan of economic warfare used in England on aluminum. I am anxious to have any information along these lines that has been made public.

I expect to be here in Venezuela for another couple of months, bringing up-to-date my report of six years ago for the Banco Central on the economy of Venezuela. After that I will return to Washington for a couple of weeks before going on to Tucson.

Many thanks for your help in sending me the copies of your speech and any other information which you can.

With all good wishes.

Sincerely,

Milo Perkins

Avila Hotel
Caracas, Venezuela

61R 10.7286-a

22 SEP 1958

Mr. Milo Perkins ✓
Shoreham Hotel
2900 Calvert Street, N. W.
Washington, D. C.

Dear Mr. Perkins:

During the absence of Mr. Dulles, I should like to thank you for your letter of 20 September and the enclosed report.

Mr. Dulles is expected back from a trip to Europe on 25 September. When he returns to his office, I shall bring this to his attention.

Sincerely,

WENEF

Assistant to the Director

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O/DCI/ 22 Sept 58

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CENTRAL INTELLIGENCE AGENCY
OFFICIAL ROUTING SLIP

| TO | | INITIALS | DATE |
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| 1 | [REDACTED] 1128 M Building | | |
| 2 | | | |
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| FROM | | INITIALS | DATE |
| 1 | Stanley J. Grogan - 11 East | | 6/2/58 |
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Remarks: Please give me information on which
we may base a reply responsive to Milo Perkins.

[REDACTED]
STANLEY J. GROGAN
Assistant to the Director

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| ER - 10-7286 | | | | | |
| DCI <u>does</u> plan to see Milo Perkins in the near future and would like to have your comments on the attached report by Perkins. | | | | | |
| Suspense - 3 Oct 58 | | | | | |
| cc: [REDACTED] | | | | | |
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| 2 | 11 East Bldg. | | |
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Remarks:

Attached you will find the information which
you can base a reply to Milo Perkins.



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